

Populist leaders and international migration

Etienne Bacher

LISER University of Luxembourg

August 28, 2024

OVERVIEW

Motivation & Literature

Data

Method

Results

Mechanisms

Conclusion

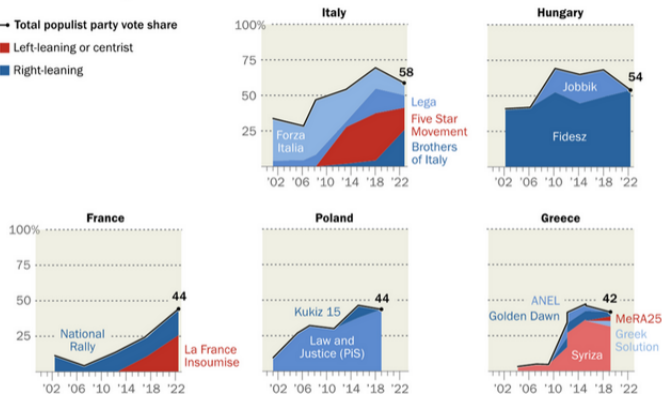
Populist parties have increased their vote shares in many recent European elections

Vote share in national legislative elections

→ Total populist party vote share

■ Left-leaning or centrist

■ Right-leaning



- ▶ This generally comes with anti-immigration positions: "build the wall", "stop the invasion", "great replacement theory"

WHAT IS POPULISM?

- ▶ Hard to define because it covers a lot of aspects, many partially overlapping definitions (Guriev and Papaioannou, 2022).
- ▶ Common items:
 - ▶ *anti-elitism*: represent the “pure people” against the “corrupt elites”.
 - ▶ *anti-pluralism*: no middle-ground, either elites or pure people (no protection of minorities, no diversity of opinions).
- ▶ Definition of Funke et al. (2023):

A person or a party is populist if “he or she divides society into two artificial groups – ‘the people’ vs. ‘the elites’ – and then claims to be the sole representative of the true people.”

WHAT IS POPULISM?

- ▶ Hard to define because it covers a lot of aspects, many partially overlapping definitions (Guriev and Papaioannou, 2022).
- ▶ Common items:
 - ▶ *anti-elitism*: represent the “pure people” against the “corrupt elites”.
 - ▶ *anti-pluralism*: no middle-ground, either elites or pure people (no protection of minorities, no diversity of opinions).
- ▶ Definition of Funke et al. (2023):

A person or a party is populist if “he or she divides society into two artificial groups – ‘the people’ vs. ‘the elites’ – and then claims to be the sole representative of the true people.”

RELATED LITERATURE

- ▶ Large literature on populism:
 - ▶ how to define it? (Mudde, 2004; Dornbusch and Edwards, 2007; Müller, 2017; Eichengreen, 2018; Inglehart and Norris, 2017)
 - ▶ why is it rising? (Rodrik, 2021; Barone and Kreuter, 2021; Albanese et al., 2022; Docquier et al., 2023; Guiso et al., 2024)
 - ▶ what are its economic consequences? (Acemoglu et al., 2013; Funke et al., 2023; Bellodi et al., 2023)
- ▶ I focus on the less explored **impact of populism on international migration**:
 - ▶ Harder to claim causality because a number of factors affect the rise of populism and migration flows

Literature uses various identification strategies:

- ▶ Close election settings:
 - ▶ Bracco et al. (2018); Cerqua and Zampollo (2023): in Italy, having a Lega Nord mayor decreases immigration but has no effect on emig.
- ▶ Instrumental variables:
 - ▶ Docquier and Vasilakis (2023): instrument using "collective memory" and trigger variables.
Increase in populism **decreases immigration**, especially of high-skilled individuals, and **increases emig.** of high-skilled individuals only.
- ▶ Demirci (2023) uses synthetic control method, focusing on 3 countries and youth emigration only.

Literature uses various identification strategies:

- ▶ Close election settings:
 - ▶ Bracco et al. (2018); Cerqua and Zampollo (2023): in Italy, having a Lega Nord mayor decreases immigration but has no effect on emig.
- ▶ Instrumental variables:
 - ▶ Docquier and Vasilakis (2023): instrument using “collective memory” and trigger variables.
Increase in populism **decreases immigration**, especially of high-skilled individuals, and **increases emig.** of high-skilled individuals only.
- ▶ Demirci (2023) uses synthetic control method, focusing on 3 countries and youth emigration only.

Literature uses various identification strategies:

- ▶ Close election settings:
 - ▶ [Bracco et al. \(2018\)](#); [Cerqua and Zampollo \(2023\)](#): in Italy, having a Lega Nord mayor decreases immigration but has no effect on emig.
- ▶ Instrumental variables:
 - ▶ [Docquier and Vasilakis \(2023\)](#): instrument using “collective memory” and trigger variables.
Increase in populism **decreases immigration**, especially of high-skilled individuals, and **increases emig.** of high-skilled individuals only.
- ▶ [Demirci \(2023\)](#) uses synthetic control method, focusing on 3 countries and youth emigration only.

CONTRIBUTIONS

- ▶ Bigger scope: look at the average effect of populism on migration flows over several countries and time periods.
- ▶ Distinction between mechanisms occurring at origin and destination.
- ▶ Look at the effect on return migration.

PREVIEW OF RESULTS

Using some variants of the synthetic control method, I find that:

- ▶ having a populist leader
 - ▶ reduces the growth rate of immigration, for high-skilled and low-skilled;
 - ▶ has almost no effect on emigration;
 - ▶ increases return migration of low-skilled individuals.
- ▶ this is mostly driven by right-wing populists, who implement more restrictive migration policies;
- ▶ there is no change in the country's attractiveness when a populist leader is at power.

OVERVIEW

Motivation & Literature

Data

Method

Results

Mechanisms

Conclusion

POPULISM

- ▶ Populism: dataset created by [Funke et al. \(2023\)](#) covering 60 countries between 1900 and 2018:
 - ▶ Binary coding: a leader is either populist or not populist;
 - ▶ Indicates if leader is right- or left-wing, and its ruling period.
 - ▶ Focus on the "Core" sample.

MIGRATION

- ▶ Migration: imputed dataset on yearly bilateral migration flows (Standaert and Rayp, 2022)
 - ▶ Split between “high-skilled” and “low-skilled” migrants based on the skill distribution of migrants from each origin in each destination obtained from 1990 and 2000 censuses.
 - ▶ Use growth rate of immigration and emigration to have a comparable measure across countries.
- ▶ Other controls: GDP per capita, unemployment (WDI)

MIGRATION POLICIES

- ▶ DEMIG Policy database
- ▶ Covers 45 countries between 1945-2014 (for most of them)
- ▶ Gives information on new migration policies ▶ Some policy examples
 - ▶ scale (national, multilateral)
 - ▶ magnitude (minor, middle, major)
 - ▶ group targeted (all migrants, workers, refugees, etc.)
 - ▶ other aspects

COUNTRY'S ATTRACTIVENESS

- ▶ Gallup World Polls:
 - ▶ Yearly survey in almost all countries, about 1,500 respondents per country-year.
 - ▶ Widely used in migration literature.
- ▶ "Ideally, if you had the opportunity, would you like to move permanently to another country or would you prefer to continue living in this one?"
- ▶ Potential followup: "To which country would you like to move?"

⇒ Rank the destination countries based on how many people want to go there.

OVERVIEW

Motivation & Literature

Data

Method

Results

Mechanisms

Conclusion

- ▶ Main challenge: endogeneity of arrival of populist at power
- ▶ Need to find a credible counterfactual to estimate the effect of having a populist at power on migration flows.

⇒ I use the **generalized SCM** (Xu, 2017; Xu and Liu, 2022), based on the **synthetic control method** (SCM, Abadie and Gardeazabal, 2003).

- ▶ allows multiple treated units and differential treatment timing;
- ▶ gives confidence intervals by bootstrapping the estimates.

- ▶ Main challenge: endogeneity of arrival of populist at power
- ▶ Need to find a credible counterfactual to estimate the effect of having a populist at power on migration flows.

⇒ I use the **generalized SCM** (Xu, 2017; Xu and Liu, 2022), based on the **synthetic control method** (SCM, Abadie and Gardeazabal, 2003).

- ▶ allows multiple treated units and differential treatment timing;
- ▶ gives confidence intervals by bootstrapping the estimates.

MECHANISMS ANALYSIS

1. OLS regression for count of migration policies:

$$MigPol_{it} = \alpha + \beta Pop_{it} + \gamma \mathbf{X}_{it} + \nu_i + \tau_t + \varepsilon_{jt}$$

2. OLS regression for rank of destination:

$$DestRank_{it} = \alpha + \beta Pop_{it} + \gamma \mathbf{X}_{it} + \nu_i + \tau_t + \varepsilon_{jt}$$

3. Logistic regression on desire for return migration:

$$Pr(Y_{ioct} = 1 | Pop_{ct}, X_i) = \alpha + \beta Pop_{ct} + \gamma \mathbf{X}_i + \nu_c + \mu_o + \tau_t + \varepsilon_{ioct}$$

OVERVIEW

Motivation & Literature

Data

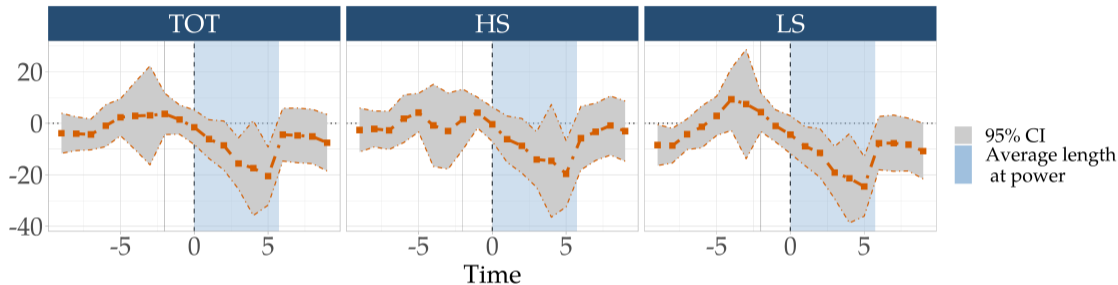
Method

Results

Mechanisms

Conclusion

Immigration: observed - synthetic



Average effect with all populist leaders.

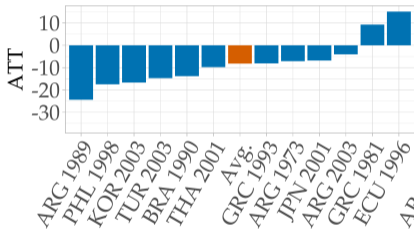
After 5 years, the growth rate of immigration flows is 20pp lower than what it would have been without a populist leader (avg.: 5.5%).

▶ Results with alternative SCM

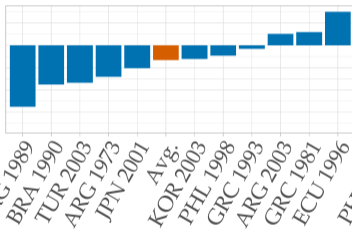
▶ Results with time placebo

ATT per event
Method: Gen. SCM

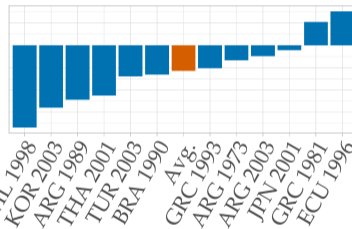
TOT



HS

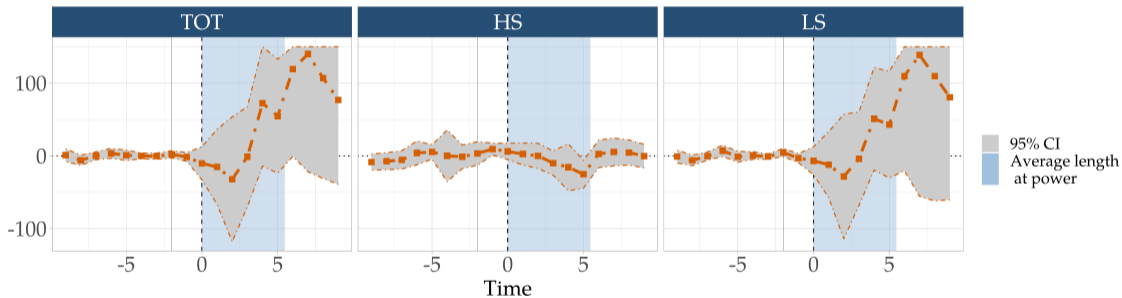


LS



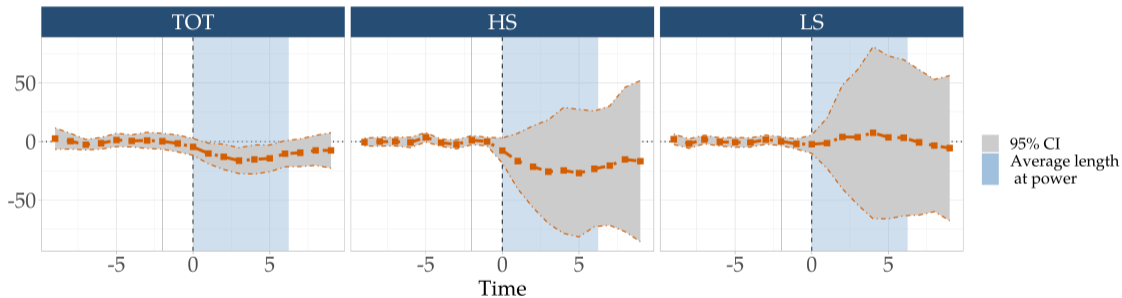
Event

Immigration: observed - synthetic



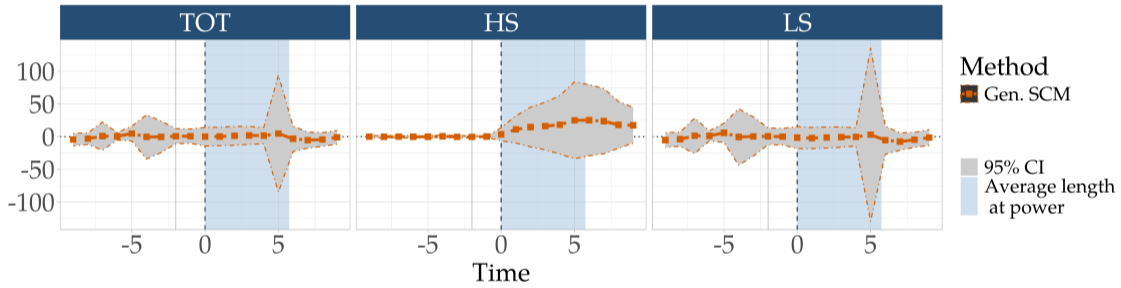
Average effect with left-wing populist leaders only.

Immigration: observed - synthetic



Average effect with right-wing populist leaders only.

Emigration: observed - synthetic



Average effect with all populist leaders.

- ▶ Robustness with alternatives to Gen. SCM:
 - ▶ Weighted average according to the goodness-of-fit in the pre-treatment
 - ▶ Partially pooled SCM
 - ▶ Synthetic DiD

▶ Details on alternatives

- ▶ Robustness with time placebo in t_{-1} and t_{-2} .

OVERVIEW

Motivation & Literature

Data

Method

Results

Mechanisms

Conclusion

MECHANISMS

Negative effect on immigration could come from:

1. the destination country: more policies to restrict immigration (or more enforcement of existing laws);
2. the origin countries: lower attractiveness of the destination country, so migrants voluntarily choose another destination instead.

MECHANISMS

Negative effect on immigration could come from:

1. the destination country: more policies to restrict immigration (or more enforcement of existing laws);
2. the origin countries: lower attractiveness of the destination country, so migrants voluntarily choose another destination instead.

MIGRATION POLICIES

Table: Relationship between having a populist leader and the number of migration policies

	All mig. pol.	Restrictive mig. pol.	Permissive mig. pol.
<i>All pop. leaders</i>			
Populism	0.017 (0.124)	0.156 (0.174)	-0.096 (0.138)
<i>RW pop. leaders</i>			
Populism	0.103 (0.128)	0.374** (0.173)	-0.118 (0.154)
<i>LW pop. leaders</i>			
Populism	-0.171 (0.257)	-0.469 (0.378)	-0.008 (0.292)
Year FE	Yes	Yes	Yes
Country FE	Yes	Yes	Yes
Obs.	870	773	870

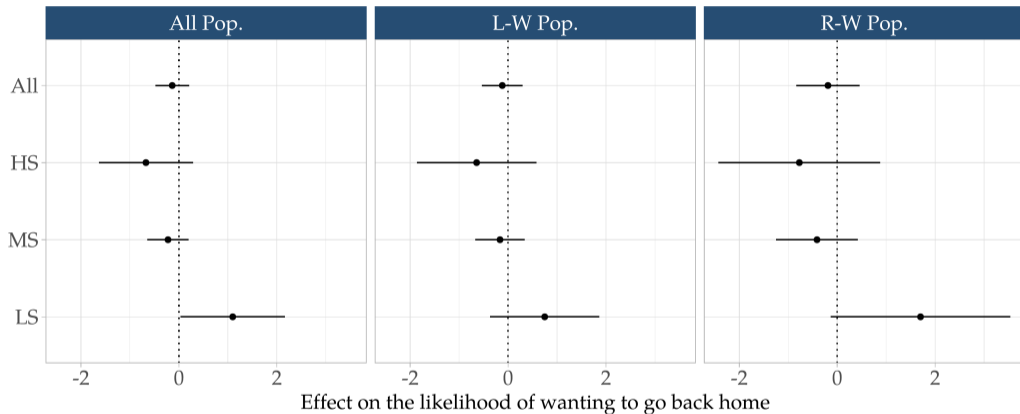
COUNTRY'S ATTRACTIVENESS

	Destination rank	Destination rank	Destination rank
Populism	-0.662 (2.538)		
L-W Populism		-3.228 (5.287)	
R-W Populism			0.650 (2.682)
Num.Obs.	622	622	622
R2 Adj.	0.917	0.917	0.917
Year FE	Yes	Yes	Yes
Country FE	Yes	Yes	Yes
Controls	Yes	Yes	Yes

Heteroskedasticity-robust standard errors. The dependent variable is the rank of the destination in terms of number of respondents who want to go there (lower is better).

WHAT ABOUT RETURN MIGRATION?

- ▶ Anti-immigration views of populist leaders are not only directed to future migrants but also to current migrants.
- ▶ Do we see an effect on the desire to leave of settled migrants?



- ▶ R-W populist leaders implement harder migration policies, *including integration policies.*

OVERVIEW

Motivation & Literature

Data

Method

Results

Mechanisms

Conclusion

Does having a populist leader affect immigration and emigration?

- ▶ On average, having a populist leader reduces the immigration growth rate of HS and LS but has no effect on emigration growth rate.
- ▶ This result is mostly coming from RW populist leaders.
 - ▶ Those are more likely to implement major restrictive migration policies.
 - ▶ I don't find a clear change in country's attractiveness.
 - ▶ Right-wing populism encourages low-skilled migrants to go back to their home country.
- ▶ The size and direction of the effect varies importantly across cases.
 - ▶ It is important to continue studying those events on a case-by-case basis.

Does having a populist leader affect immigration and emigration?

- ▶ On average, having a populist leader reduces the immigration growth rate of HS and LS but has no effect on emigration growth rate.
- ▶ This result is mostly coming from RW populist leaders.
 - ▶ Those are more likely to implement major restrictive migration policies.
 - ▶ I don't find a clear change in country's attractiveness.
 - ▶ Right-wing populism encourages low-skilled migrants to go back to their home country.
- ▶ The size and direction of the effect varies importantly across cases.
 - ▶ It is important to continue studying those events on a case-by-case basis.

Does having a populist leader affect immigration and emigration?

- ▶ On average, having a populist leader reduces the immigration growth rate of HS and LS but has no effect on emigration growth rate.
- ▶ This result is mostly coming from RW populist leaders.
 - ▶ Those are more likely to implement major restrictive migration policies.
 - ▶ I don't find a clear change in country's attractiveness.
 - ▶ Right-wing populism encourages low-skilled migrants to go back to their home country.
- ▶ The size and direction of the effect varies importantly across cases.
 - ▶ It is important to continue studying those events on a case-by-case basis.

Thanks!

etienne.bacher@liser.lu

Appendix

⇒ 12 populist events

Country	Year	Left / Right	Country	Year	Left / Right
Argentina	1973	Left	Greece	1993	Left
Argentina	1989	Right	Japan	2001	Right
Argentina	2003	Left	Philippines	1998	Left
Brazil	1990	Right	South Korea	2003	Right
Ecuador	1996	Right	Thailand	2001	Right
Greece	1981	Left	Turkey	2003	Right

POLICY EXAMPLES

- ▶ UK, 2004: right to work for scientists and engineers after graduation at UK institution.
DEMIG: mid-level change, improves access, affect only international students, on the topic of "Integration"
- ▶ France, 2007: need to verify work permit before employing foreigner.
DEMIG: minor change, restrict access, affects migrant workers from all origins, on the topic of "Border and land control"
- ▶ Austria, 2011: introduction of a language test before entry into the country.
DEMIG: major change, restrict access, affects all migrants from all origins, on the topic of "Legal entry and stay"

MORE DETAILS ON ALTERNATIVES

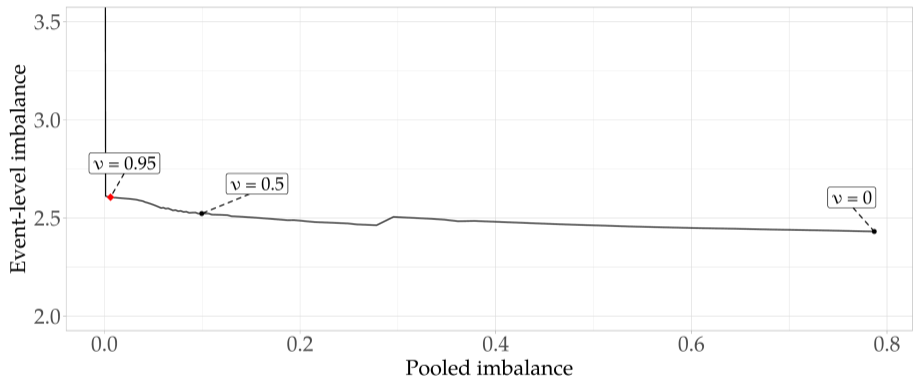
How do I aggregate the results?

1. Weighted average:

- ▶ use the RMSPE from the pre-treatment to make a weighted average;
- ▶ for each event: low RMSPE (= good fit) → high weight

2. Partially pooled synthetic control (Ben-Michael et al., 2021)

- ▶ In this setting, tradeoff between the imbalance for each event and the overall imbalance.
- ▶ Part. pooled SCM: compromise between event-level and pooled imbalance.
Objective: find ν that makes a good tradeoff between pooled imbalance and event-level imbalance
- ▶ ν is found by drawing the balance possibility frontier

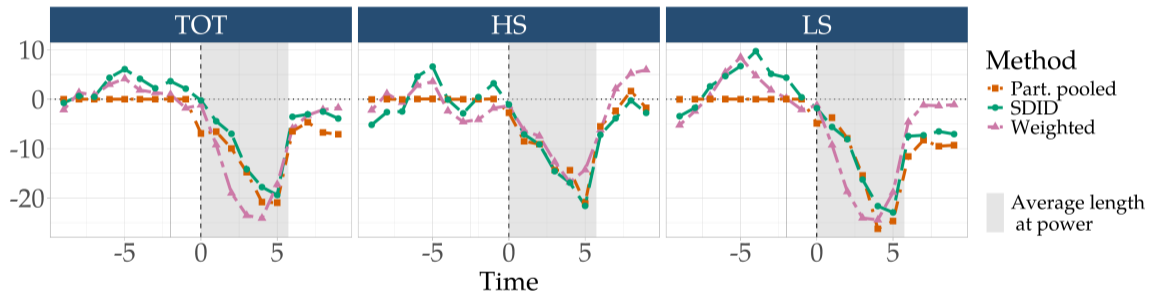


3. Synthetic diff-in-diff (Arkhangelsky et al., 2021)

- ▶ combination of synthetic control and DiD
- ▶ still make a weighted combination, but the requirement is now that the synthetic control has parallel trends with the treated unit.
- ▶ in addition to unit weights, this method also looks for time weights (where the synthetic control and the treated unit are closer will be given more weight)
- ▶ unit and time weights are then used in a TWFE regression

ALTERNATIVE METHODS

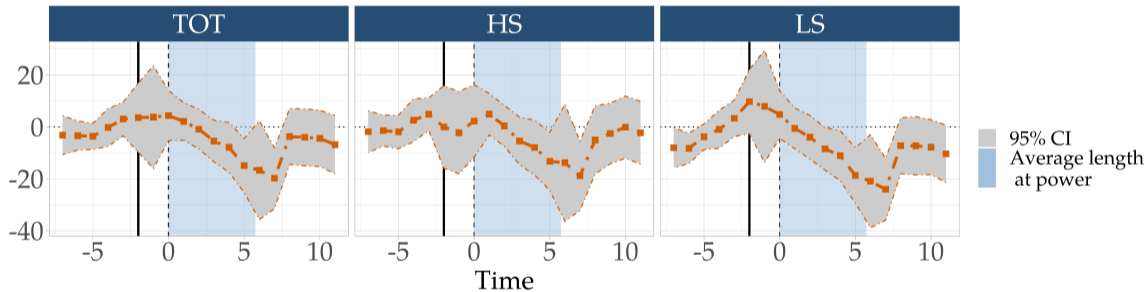
Immigration: observed - synthetic



Average effect with all populist leaders.

ALTERNATIVE METHODS

Immigration: observed - synthetic
Placebo: set treatment in t-2

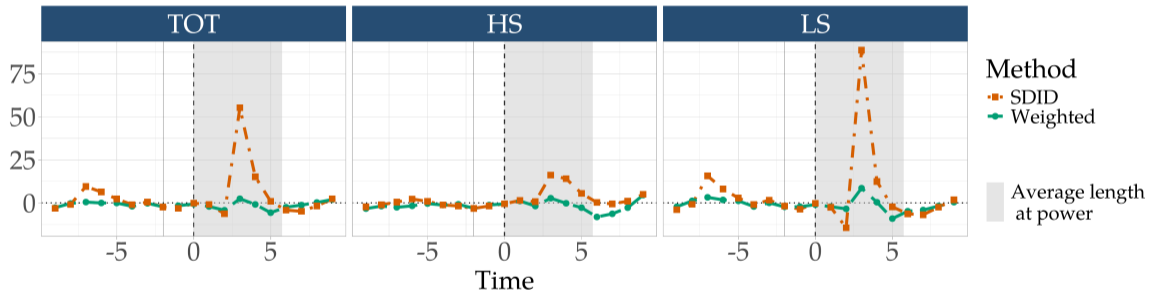


Average effect with all populist leaders.

◀ Back

ALTERNATIVE METHODS

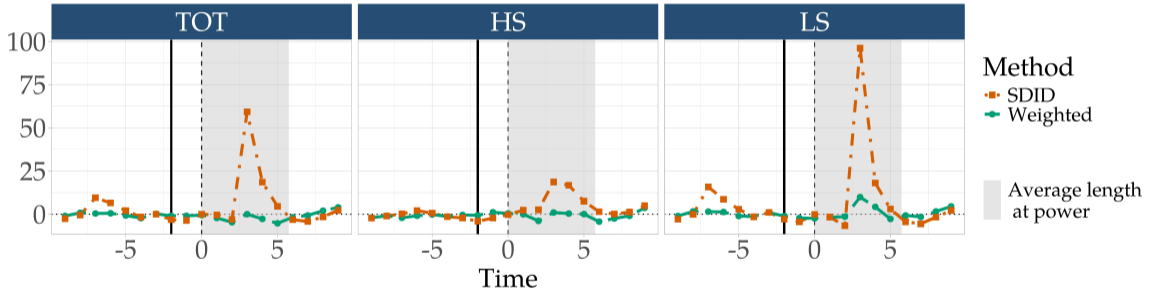
Emigration: observed - synthetic



Average effect with all populist leaders.

ALTERNATIVE METHODS

Emigration: observed - synthetic
 Placebo: set treatment in t-2



Average effect with all populist leaders.

◀ Back